

**BY-LAWS
OF THE
ARKANSAS DEVELOPMENT FINANCE AUTHORITY**

ARTICLE I
THE AUTHORITY

Section 1. Name of the Authority. The name of the Authority is the “Arkansas Development Finance Authority.”

Section 2. Seal of the Authority. The seal of the Authority shall be circular in form with the wording "Arkansas Development Finance Authority” and the year of its creation inscribed thereon.

ARTICLE II
MEETING OF THE BOARD OF DIRECTORS

Section 1. Regular Meetings. Meetings of the Board of Directors of the Authority shall be held on the third Thursday of each month or otherwise at such alternate time of the month as may be designated by resolution adopted by the Authority.

Section 2. Special Meetings. The Chair of the Authority may, when he or she deems it expedient, or shall, upon the written request of two members of the Board of Directors of the Authority, call a special meeting of the Authority for the purpose of transacting any business designated in the call. The call for a special meeting shall be delivered to each member of the Board of Directors of the Authority in writing by a recognizable form of immediate delivery, such as facsimile, e-mail or hand delivery for each such member at least two days prior to the date of such special meeting. At such special meeting, no business shall be considered other than as designated in the call, but if all of the members of the Board of Directors of the Authority are present at a special meeting, any and all business may be transacted at such special meeting.

Section 3. Committees of the Board of Directors. The Chair is authorized to form such committees of the Board of Directors and appoint members to the Chairs of the committees, to serve for one year terms, from February 15 to February 14 of the succeeding year, or such shorter period of the term as may be appropriate. Committees of the Board of Directors shall have such authority and responsibility as may be designated by rules and regulations or by resolutions adopted from time to time by the Board of Directors. Meetings of the committees may be held at such time and place as called by the chair of the Committee. Notice of meetings of committees shall be delivered to each member of the committee in writing by a recognizable form of immediate delivery, such as facsimile, e-mail or hand delivery for each such member at least two days prior to the date of such special meeting. Notice of any meeting of a committee may be waived by unanimous consent of all sitting members of the committee. Any authorized action to be taken by a committee may be taken by written consent memorandum signed by all sitting members of the committee.

ARTICLE III OFFICERS

Section 1. Chair. The Chair shall preside at all meetings of the Board of Directors, and appoint the committees of the Board of Directors. At each meeting, the Chair may submit such recommendations and information as he or she may consider proper concerning the business, affairs, and policies of the Authority.

Section 2. Vice Chair. The Vice-Chair, in the absence of the Chair, shall act as Chair of the Authority, taking such actions and signing such documents as may be required or appropriate from time to time.

Section 3. Secretary. The President of the Authority shall be the Secretary of the Authority, and as such, shall have general supervision over the administration of its business and affairs,

subject to the direction of the Board of Directors.

The Secretary shall keep the records of the Authority, keep the minutes of all meetings of the Board of Directors, keep a record of the proceedings of the Authority in a journal, give notice of meetings of the Board of Directors, and perform all duties incident to his or her office, or conferred upon him by the Board of Directors. He or she shall have charge of the seal of the Authority and shall have power to affix the seal attested by his or her signature to all contracts and instruments as may require the same.

Section 4. Election. The Chair and Vice-Chair shall be elected at the first regular meeting of the Authority of each calendar year from among the public members of the Board of Directors and shall hold office for one year, or until their successors are elected.

Section 5. Vacancies. Should the office of Chair or Vice-Chair become vacant, the Board of Directors shall elect a successor from their public members within sixty days, and such election shall be for the unexpired term of said office. When the office of Secretary becomes vacant, the Board of Directors shall appoint a temporary successor from the Board of Directors or the Authority staff until a new President of the Authority is selected.

ARTICLE IV EMPLOYEES OF THE AUTHORITY

Section 1. President. The chief executive officer of the Authority shall be the President. The President of the Authority shall be appointed by the Board of Directors and serves at the will of the Governor. The President shall have the power to execute properly authorized bonds, agreements, deeds, instruments, contracts, documents, certificates, and other writings of the Authority, and may delegate such powers to other officers of the Authority.

Section 2. Additional Personnel. The President, with the approval of the Board of Directors,

shall appoint and employ such additional officers and employees, accountants, financial advisors or experts, and agents, as may be required, and shall determine their qualifications, duties, and compensation.

ARTICLE V MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Authority shall commence on the first day of July and shall end on the next thirtieth of June.

Section 2. Powers of the President. The President shall have the power to delegate duties to the Authority's vice presidents, consistent with the statutory powers and authority of the Agency and consistent with policies and procedures that may be established from time to time by the Board.

ARTICLE VI AMENDMENTS

The Board of Directors shall have the power to make, alter, amend, suspend, and repeal By-Laws of the Authority at any meeting of the Board of Directors by the affirmative vote of a majority of present and voting Directors. Pursuant to the Arkansas Code Annotated §§25-15-201 et seq., a certified copy of all by-law adoptions, amendments, or repeals by the Board of Directors shall be filed with the Secretary of State of the State of Arkansas. The Secretary of State shall keep a register of the rules open to public inspection, and it shall be a permanent register.

Each by-law adopted by the Authority shall be effective twenty (20) days after filing, unless a later date is specified by law or in the rule itself; provided, however, that an emergency rule may become effective immediately upon filing, or at a stated time less than twenty (20) days thereafter, if the Authority finds that this effective date is necessary because of imminent peril to the public health, safety or welfare. The Authority's finding and a brief statement of the reasons there for shall

be filed with the rule. The Authority shall take appropriate measures to make emergency rules known to the persons who may be affected by them.

Adopted and approved by proper action of the Board of Directors of the Authority on the 21st day of March, 2002.

Freddie Mobley, Chair

Mac Dodson, President and Secretary

100\5620\Bylaws03.wpd